

House File 692

H-1708

1 Amend House File 692 as follows:

2 1. By striking everything after the enacting clause
3 and inserting:

4 <DIVISION I

5 RETAIL DEALERS — MOTOR FUEL STANDARDS

6 Section 1. Section 214A.2, subsection 4, paragraph
7 b, Code 2011, is amended by adding the following new
8 subparagraph:

9 NEW SUBPARAGRAPH. (4) Biodiesel blended fuel
10 classified as B-6 or higher but not higher than B-20
11 must conform to A.S.T.M. international specification
12 D7467 or a successor A.S.T.M. international
13 specification as established by rules adopted by the
14 department.

15 DIVISION II

16 RETAIL DEALERS — LIABILITY

17 Sec. 2. NEW SECTION. 214A.20 Retail dealers —
18 limitation on liability.

19 1. A retail dealer is not liable for damages caused
20 by the use of incompatible motor fuel dispensed at the
21 retail dealer's retail motor fuel site, if all of the
22 following applies:

23 a. The incompatible motor fuel complies with the
24 specifications for a type of motor fuel as provided in
25 section 214A.2.

26 b. The incompatible motor fuel is selected by a
27 person other than the retail dealer, including an
28 employee or agent of the retail dealer.

29 c. The incompatible motor fuel is dispensed from a
30 motor fuel pump that correctly labels the type of fuel
31 dispensed.

32 2. For purposes of this section, a motor fuel is
33 incompatible with a motor according to the manufacturer
34 of the motor.

35 DIVISION III

36 RETAIL DEALERS — ETHANOL PROMOTION TAX CREDIT

37 Sec. 3. Section 422.11N, subsection 1, paragraph a,
38 Code 2011, is amended to read as follows:

39 a. "*E-85 gasoline*", "*ethanol*", "*ethanol blended*
40 *gasoline*", "*gasoline*", and "*retail dealer*", and "*retail*
41 *motor fuel site*" mean the same as defined in section
42 214A.1.

43 Sec. 4. Section 422.11N, subsection 3, paragraph a,
44 Code 2011, is amended to read as follows:

45 a. The taxpayer is a retail dealer who sells and
46 dispenses ethanol blended gasoline through a motor fuel
47 pump in located at the retail dealer's retail motor
48 fuel site during the tax year in determination period
49 or parts of the determination periods for which the tax
50 credit is claimed as provided in this section.

1 Sec. 5. Section 422.11N, Code 2011, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 3A. *a.* When first claiming the
4 tax credit, the retail dealer shall elect to compute
5 and claim the tax credit on a company-wide basis or
6 site-by-site basis in the same manner as provided in
7 section 452A.33.

8 (1) In making a company-wide election, the retail
9 dealer must compute and claim the tax credit based
10 on calculations as provided in this section for all
11 retail motor fuel sites where the retail dealer sells
12 and dispenses motor fuel on a retail basis. The
13 retail dealer shall not claim the tax credit based on
14 a calculation which does not include all such retail
15 motor fuel sites. A retail dealer shall use the
16 company-wide election in order to calculate the retail
17 dealer's biofuel threshold percentage as provided in
18 subsection 4, paragraph "b".

19 (2) In making a site-by-site election, the retail
20 dealer must compute and claim the tax credit based
21 on calculations as provided in this section for each
22 retail motor fuel site where the retail dealer sells
23 and dispenses motor fuel on a retail basis. The
24 retail dealer shall not claim the tax credit based on
25 a calculation which includes two or more retail motor
26 fuel sites. Nothing in this subparagraph requires
27 the retail dealer to compute or claim a tax credit
28 for a particular retail motor fuel site. The retail
29 dealer shall not use the site-by-site election in order
30 to calculate the retail dealer's biofuel threshold
31 percentage as provided in subsection 4, paragraph "b".

32 *b.* Once the retail dealer makes an election as
33 provided in paragraph "a", the retail dealer shall not
34 change the election without the written consent of the
35 department.

36 Sec. 6. Section 422.11N, subsection 4, paragraph d,
37 Code 2011, is amended by striking the paragraph.

38 Sec. 7. Section 422.11N, subsection 5, paragraph
39 a, subparagraph (1), Code 2011, is amended to read as
40 follows:

41 (1) For any tax year in which the retail dealer
42 has attained a biofuel threshold percentage for the
43 determination period, the tax credit rate is ~~six and~~
44 ~~one-half~~ eight cents.

45 Sec. 8. Section 422.11N, subsection 5, paragraph a,
46 subparagraph (2), subparagraph divisions (a) and (b),
47 Code 2011, are amended to read as follows:

48 (a) If the retail dealer's biofuel threshold
49 percentage disparity equals two percent or less, the
50 tax credit rate is ~~four and one-half~~ six cents.

1 (b) If the retail dealer's biofuel threshold
2 percentage disparity equals more than two percent but
3 not more than four percent, the tax credit rate is as
4 follows:
5 (i) For calendar year 2011, two and one-half cents.
6 (ii) For calendar year 2012 and for each subsequent
7 calendar year, four cents.
8 Sec. 9. Section 422.11N, subsection 6, Code 2011,
9 is amended to read as follows:
10 6. a. A retail dealer is eligible to claim an
11 ethanol promotion tax credit as provided in this
12 section even though the retail dealer claims ~~an~~ one or
13 all of the following related tax credits:
14 (1) The E-85 gasoline promotion tax credit pursuant
15 to section 422.11O.
16 (2) The E-15 plus gasoline promotion tax credit
17 pursuant to section 422.11Y.
18 b. The retail dealer may claim the ethanol
19 promotion tax credit and one or more of the related tax
20 credits as provided in paragraph "a" for the same tax
21 year and for the same ethanol gallonage.
22 Sec. 10. Section 452A.33, subsection 1, paragraph
23 b, Code 2011, is amended by striking the paragraph and
24 inserting in lieu thereof the following:
25 b. The report shall include information required in
26 paragraph "a" on a company-wide and site-by-site basis,
27 as required by the department.
28 (1) The information submitted on a company-wide
29 basis shall include the total motor fuel
30 gallonage, including for each classification and
31 subclassification, sold and dispensed by the retail
32 dealer as provided in paragraph "a" for all retail
33 motor fuel sites from which the retail dealer sells and
34 dispenses motor fuel.
35 (2) The information submitted on a site-by-site
36 basis shall include the total motor fuel
37 gallonage, including for each classification and
38 subclassification, sold and dispensed by the retail
39 dealer as provided in paragraph "a" separately for each
40 retail motor fuel site from which the retail dealer
41 sells and dispenses motor fuel.
42 Sec. 11. 2006 Iowa Acts, chapter 1142, section 49,
43 subsection 2, as amended by 2006 Iowa Acts, chapter
44 1175, section 17, is amended to read as follows:
45 2. For a retail dealer who may claim an ethanol
46 promotion tax credit under section 422.11N or 422.33,
47 subsection 11A, as enacted in this Act and amended
48 in subsequent Acts, in calendar year 2020 and whose
49 tax year ends prior to December 31, 2020, the retail
50 dealer may continue to claim the tax credit in the

1 retail dealer's following tax year. In that case, the
2 tax credit shall be calculated in the same manner as
3 provided in section 422.11N or 422.33, subsection 11A,
4 as enacted in this Act and amended in subsequent Acts,
5 for the remaining period beginning on the first day of
6 the retail dealer's new tax year until December 31,
7 2020. For that remaining period, the tax credit shall
8 be calculated in the same manner as a retail dealer
9 whose tax year began on the previous January 1 and who
10 is calculating the tax credit on December 31, 2020.

11 Sec. 12. ADMINISTRATIVE RULES. The department
12 of revenue may adopt emergency rules under section
13 17A.4, subsection 3, and section 17A.5, subsection
14 2, paragraph "b", to implement the provisions of
15 this division of this Act, and the rules shall be
16 effective immediately upon filing unless a later date
17 is specified in the rules. Any rules adopted in
18 accordance with this section shall also be published
19 as a notice of intended action as provided in section
20 17A.4.

21 Sec. 13. EFFECTIVE DATE. This division of this
22 Act, and the application of section 422.33, subsection
23 11A, due to this division of this Act, take effect upon
24 enactment.

25 Sec. 14. RETROACTIVE APPLICABILITY. This division
26 of this Act applies retroactively to January 1, 2011,
27 including section 422.11N, as amended in this division
28 of this Act, and the application of section 422.33,
29 subsection 11A, due to this division of this Act, to
30 tax years beginning on and after January 1, 2011.

31 DIVISION IV

32 E-85 GASOLINE PROMOTION TAX CREDIT

33 Sec. 15. Section 422.110, subsection 2, Code 2011,
34 is amended to read as follows:

35 2. The taxes imposed under this division, less the
36 credits allowed under section 422.12, shall be reduced
37 by an E-85 gasoline promotion tax credit for each tax
38 year that the taxpayer is eligible to claim the tax
39 credit under this subsection.

40 a. In order to be eligible, all of the following
41 must apply:

42 ~~a.~~ (1) The taxpayer is a retail dealer who sells
43 and dispenses E-85 gasoline through a motor fuel pump
44 ~~in~~ located at the retail dealer's retail motor fuel
45 site during the tax calendar year in or parts of the
46 calendar year for which the tax credit is claimed as
47 provided in this section.

48 ~~b.~~ (2) The retail dealer complies with
49 requirements of the department to administer this
50 section.

1 b. The tax credit shall apply to E-85 gasoline that
2 meets the standards provided in section 214A.2.

3 Sec. 16. Section 422.110, subsection 3, Code 2011,
4 is amended by striking the subsection and inserting in
5 lieu thereof the following:

6 3. For a retail dealer whose tax year is on a
7 calendar year basis, the retail dealer shall calculate
8 the amount of the tax credit by multiplying a
9 designated rate of sixteen cents by the retail dealer's
10 total E-85 gasoline gallonage as provided in sections
11 452A.31 and 452A.32.

12 Sec. 17. Section 422.110, subsection 5, Code 2011,
13 is amended to read as follows:

14 5. a. A retail dealer is eligible to claim an
15 E-85 gasoline promotion tax credit as provided in this
16 section even though the retail dealer claims ~~an~~ one or
17 all of the following related tax credits:

18 (1) The ethanol promotion tax credit pursuant to
19 section 422.11N for the same tax year for the same
20 ethanol gallonage.

21 (2) The E-15 plus gasoline tax credit pursuant to
22 section 422.11Y.

23 b. (1) The retail dealer may claim the E-85
24 gasoline promotion tax credit and one or more of the
25 related tax credits as provided in paragraph "a" for
26 the same tax year.

27 (2) The retail dealer may claim the ethanol
28 promotion tax credit as provided in paragraph "a" for
29 the same ethanol gallonage used to calculate and claim
30 the E-85 gasoline promotion tax credit.

31 Sec. 18. Section 422.110, subsection 8, Code 2011,
32 is amended to read as follows:

33 8. This section is repealed on January 1, ~~2021~~
34 2018.

35 Sec. 19. Section 422.33, subsection 11B, paragraph
36 c, Code 2011, is amended to read as follows:

37 c. This subsection is repealed on January 1, ~~2021~~
38 2018.

39 Sec. 20. 2006 Iowa Acts, chapter 1142, section 49,
40 subsection 3, is amended to read as follows:

41 3. For a retail dealer who may claim an E-85
42 gasoline promotion tax credit under section 422.110
43 or 422.33, subsection 11B, as enacted in this Act and
44 amended in subsequent Acts, in calendar year ~~2020~~ 2017
45 and whose tax year ends prior to December 31, ~~2020~~
46 2017, the retail dealer may continue to claim the tax
47 credit in the retail dealer's following tax year. In
48 that case, the tax credit shall be calculated in the
49 same manner as provided in section 422.110 or 422.33,
50 subsection 11B, as enacted in this Act and amended in

1 subsequent Acts, for the remaining period beginning on
2 the first day of the retail dealer's new tax year until
3 December 31, ~~2020~~ 2017. For that remaining period, the
4 tax credit shall be calculated in the same manner as
5 a retail dealer whose tax year began on the previous
6 January 1 and who is calculating the tax credit on
7 December 31, ~~2020~~ 2017.

8 Sec. 21. ADMINISTRATIVE RULES. The department of
9 revenue may adopt rules under chapter 17A prior to the
10 effectiveness and applicability of section 422.110,
11 and section 422.33, subsection 11B, as amended in this
12 division of this Act, due to this division of this Act.
13 The department's rules shall not take effect earlier
14 than January 1, 2012.

15 Sec. 22. EFFECTIVE DATES.

16 1. Except as provided in subsection 2, this
17 division of this Act takes effect on July 1, 2011.

18 2. a. The section of this division of this Act
19 authorizing the department of revenue to adopt rules
20 takes effect upon enactment.

21 b. Section 422.110, as amended in this division
22 of this Act, and section 422.33, subsection 11B, as
23 amended in this division of this Act, take effect on
24 January 1, 2012.

25 Sec. 23. APPLICABILITY. Section 422.110, as
26 amended in this division of this Act, and section
27 422.33, subsection 11B, as amended in this division of
28 this Act and applied due to this division of this Act,
29 apply to tax years beginning on and after January 1,
30 2012.

31 DIVISION V

32 RETAIL DEALERS — BIODIESEL BLENDED FUEL TAX CREDIT

33 Sec. 24. Section 422.11P, Code 2011, is amended by
34 adding the following new subsection:

35 NEW SUBSECTION. 1A. For purposes of this section,
36 biodiesel blended fuel is classified in the same manner
37 as provided in section 214A.2.

38 Sec. 25. Section 422.11P, subsection 2, Code 2011,
39 is amended to read as follows:

40 2. The taxes imposed under this division, less the
41 credits allowed under section 422.12, shall be reduced
42 by ~~the amount of the~~ a biodiesel blended fuel tax
43 credit for each tax year that the taxpayer is eligible
44 to claim a tax credit under this subsection.

45 a. In order to be eligible, all of the following
46 must apply:

47 (1) The taxpayer is a retail dealer who sells and
48 dispenses qualifying biodiesel blended fuel through a
49 motor fuel pump located at a the retail dealer's retail
50 motor fuel site operated by the retail dealer in during

1 the tax calendar year in or parts of the calendar years
2 for which the tax credit is claimed as provided in this
3 section.

4 ~~(2) Of the total gallons of diesel fuel that the~~
5 ~~retail dealer sells and dispenses through all motor~~
6 ~~fuel pumps located at a motor fuel site operated by~~
7 ~~the retail dealer during the retail dealer's tax year,~~
8 ~~fifty percent or more is biodiesel blended fuel which~~
9 ~~meets the requirements of this section.~~

10 ~~(3)~~ (2) The retail dealer complies with
11 requirements of the department established to
12 administer this section.

13 b. The tax credit shall apply to biodiesel blended
14 fuel formulated with a minimum percentage of two
15 percent by volume of biodiesel, if the formulation
16 classified as provided in this section, if the
17 classification meets the standards provided in section
18 214A.2.

19 Sec. 26. Section 422.11P, subsection 3, Code 2011,
20 is amended by striking the subsection and inserting in
21 lieu thereof the following:

22 3. For a retail dealer whose tax year is on a
23 calendar year basis, the retail dealer shall calculate
24 the amount of the tax credit by multiplying a
25 designated rate by the retail dealer's total biodiesel
26 blended fuel gallonage as provided in section 452A.31
27 which qualifies under this subsection.

28 a. In calendar year 2012, in order to qualify for
29 the tax credit, the biodiesel blended fuel must be
30 classified as B-2 or higher.

31 (1) For biodiesel blended fuel classified as B-2 or
32 higher but not as high as B-5, the designated rate is
33 two cents.

34 (2) For biodiesel blended fuel classified as B-5 or
35 higher, the designated rate is four and one-half cents.

36 b. In calendar year 2013 and for each subsequent
37 calendar year, in order to qualify for the tax credit,
38 the biodiesel blended fuel must be classified as B-5
39 or higher. The designated rate for the qualifying
40 biodiesel blended fuel is four and one-half cents.

41 Sec. 27. Section 422.11P, Code 2011, is amended by
42 adding the following new subsection:

43 NEW SUBSECTION. 3A. For a retail dealer whose tax
44 year is not on a calendar year basis, the retail dealer
45 shall calculate the tax credit as follows:

46 a. If a retail dealer has not claimed a tax credit
47 in the retail dealer's previous tax year, the retail
48 dealer may claim the tax credit in the retail dealer's
49 current tax year for that period beginning on January
50 1 of the retail dealer's previous tax year to the last

1 day of the retail dealer's previous tax year. For
2 that period the retail dealer shall calculate the
3 tax credit in the same manner as a retail dealer who
4 will calculate the tax credit on December 31 of that
5 calendar year as provided in subsection 3.

6 *b.* (1) For the period beginning on the first day
7 of the retail dealer's tax year until December 31,
8 the retail dealer shall calculate the tax credit in
9 the same manner as a retail dealer who calculates the
10 tax credit on that same December 31 as provided in
11 subsection 3.

12 (2) For the period beginning on January 1 to the
13 end of the retail dealer's tax year, the retail dealer
14 shall calculate the tax credit in the same manner as a
15 retail dealer who will calculate the tax credit on the
16 following December 31 as provided in subsection 3.

17 Sec. 28. Section 422.11P, subsection 6, Code 2011,
18 is amended to read as follows:

19 6. This section is repealed January 1, ~~2012~~ 2018.

20 Sec. 29. Section 422.33, subsection 11C, paragraphs
21 c and d, Code 2011, are amended to read as follows:

22 ~~*c.* The tax credit shall be calculated separately
23 for each retail motor fuel site operated by the
24 taxpayer in the same manner as provided in section
25 422.11P.~~

26 ~~*a.* *c.*~~ This subsection is repealed on January 1,
27 ~~2012~~ 2018.

28 Sec. 30. TAX CREDIT AVAILABILITY — CLAIMS FOR THE
29 2011 CALENDAR YEAR. Nothing in this Act affects a
30 retail dealer's claiming of a biodiesel blended fuel
31 tax credit as provided in 2006 Iowa Acts, chapter 1142,
32 section 49, subsection 5.

33 Sec. 31. TAX CREDIT AVAILABILITY. For a retail
34 dealer who may claim a biodiesel blended fuel promotion
35 tax credit under section 422.11P or 422.33, subsection
36 11C, as amended in this Act and amended in subsequent
37 Acts, in calendar year 2017, and whose tax year ends
38 prior to December 31, 2017, the retail dealer may
39 continue to claim the tax credit in the retail dealer's
40 following tax year. In that case, the tax credit
41 shall be calculated in the same manner as provided in
42 section 422.11P or 422.33, subsection 11C, as amended
43 in this Act and amended in subsequent Acts, for the
44 remaining period beginning on the first day of the
45 retail dealer's new tax year until December 31, 2017.
46 For that remaining period, the tax credit shall be
47 calculated in the same manner as a retail dealer whose
48 tax year began on the previous January 1 and who is
49 calculating the tax credit on December 31, 2017.

50 Sec. 32. ADMINISTRATIVE RULES. The department of

1 revenue may adopt rules under chapter 17A prior to the
2 effectiveness and applicability of section 422.11P,
3 and section 422.33, subsection 11C, as amended in this
4 division of this Act, due to this division of this Act.
5 The department's rules shall not take effect earlier
6 than January 1, 2012.

7 Sec. 33. EFFECTIVE DATES.

8 1. Except as provided in subsection 2, this
9 division of this Act takes effect July 1, 2011.

10 2. a. The section of this division of this
11 Act authorizing the department of revenue to adopt
12 administrative rules takes effect upon enactment.

13 b. The section of this division of this Act which
14 provides for tax credit availability for the 2011
15 calendar year under 2006 Iowa Acts, chapter 1142,
16 section 49, subsection 5, being deemed of immediate
17 importance, takes effect upon enactment.

18 c. Section 422.11P, as amended in this division
19 of this Act, and section 422.33, subsection 11C, as
20 amended in this division of this Act, take effect on
21 January 1, 2012.

22 Sec. 34. APPLICABILITY. Section 422.11P, as
23 amended in this division of this Act, and section
24 422.33, subsection 11C, as amended in this division of
25 this Act and applied due to this division of this Act,
26 apply to tax years beginning on and after January 1,
27 2012.

28 DIVISION VI

29 RETAIL DEALERS — E-15 PLUS GASOLINE TAX CREDIT

30 Sec. 35. NEW SECTION. 422.11Y E-15 plus gasoline
31 promotion tax credit.

32 1. As used in this section, unless the context
33 otherwise requires:

34 a. "E-85 gasoline", "ethanol", "gasoline", "retail
35 dealer", and "retail motor fuel site" mean the same as
36 defined in section 214A.1.

37 b. "Motor fuel pump" means the same as defined in
38 section 214.1.

39 c. "Sell" means to sell on a retail basis.

40 d. "Tax credit" means the E-15 plus gasoline tax
41 credit as provided in this section.

42 2. For purposes of this section, ethanol blended
43 gasoline is classified in the same manner as provided
44 in section 214A.2.

45 3. The taxes imposed under this division, less the
46 credits allowed under section 422.12, shall be reduced
47 by the amount of the E-15 plus gasoline tax credit for
48 each tax year that the taxpayer is eligible to claim a
49 tax credit under this subsection.

50 a. In order to be eligible, all of the following

1 must apply:

2 (1) The taxpayer is a retail dealer who sells and
3 dispenses qualifying ethanol blended gasoline through a
4 motor fuel pump located at the retail dealer's retail
5 motor fuel site during the calendar year or parts of
6 the calendar years for which the tax credit is claimed
7 as provided in this section.

8 (2) The retail dealer complies with requirements of
9 the department established to administer this section.

10 b. The tax credit shall apply to ethanol blended
11 gasoline classified as provided in this section, if the
12 classification meets the standards provided in section
13 214A.2.

14 4. For a retail dealer whose tax year is on
15 a calendar year basis, the retail dealer shall
16 calculate the amount of the tax credit by multiplying
17 a designated rate by the retail dealer's total ethanol
18 blended gasoline gallonage as provided in section
19 452A.31 which qualifies under this subsection.

20 a. In order to qualify for the tax credit, the
21 ethanol blended gasoline must be classified as E-15 or
22 higher but not classified as E-85.

23 b. The designated rate of the tax credit is as
24 follows:

25 (1) For calendar year 2012, calendar year 2013, and
26 calendar year 2014, three cents.

27 (2) For calendar year 2015, calendar year 2016, and
28 calendar year 2017, two cents.

29 5. For a retail dealer whose tax year is not on a
30 calendar year basis, the retail dealer shall calculate
31 the tax credit as follows:

32 a. If a retail dealer has not claimed a tax credit
33 in the retail dealer's previous tax year, the retail
34 dealer may claim the tax credit in the retail dealer's
35 current tax year for that period beginning on January
36 1 of the retail dealer's previous tax year to the last
37 day of the retail dealer's previous tax year. For
38 that period the retail dealer shall calculate the
39 tax credit in the same manner as a retail dealer who
40 will calculate the tax credit on December 31 of that
41 calendar year as provided in subsection 4.

42 b. (1) For the period beginning on the first day
43 of the retail dealer's tax year until December 31,
44 the retail dealer shall calculate the tax credit in
45 the same manner as a retail dealer who calculates the
46 tax credit on that same December 31 as provided in
47 subsection 4.

48 (2) For the period beginning on January 1 to the
49 end of the retail dealer's tax year, the retail dealer
50 shall calculate the tax credit in the same manner as a

1 retail dealer who will calculate the tax credit on the
2 following December 31 as provided in subsection 4.

3 6. a. A retail dealer is eligible to claim an E-15
4 plus gasoline promotion tax credit as provided in this
5 section even though the retail dealer claims one or all
6 of the following related tax credits:

7 (1) The ethanol promotion tax credit pursuant to
8 section 422.11N.

9 (2) The E-85 gasoline promotion tax credit pursuant
10 to section 422.11O.

11 b. (1) The retail dealer may claim the E-15 plus
12 gasoline promotion tax credit and one or more of the
13 related tax credits as provided in paragraph "a" for
14 the same tax year.

15 (2) The retail dealer may claim the ethanol
16 promotion tax credit as provided in paragraph "a" for
17 the same ethanol gallonage used to calculate and claim
18 the E-15 plus gasoline tax credit.

19 7. Any credit in excess of the retail dealer's
20 tax liability shall be refunded. In lieu of claiming
21 a refund, the retail dealer may elect to have the
22 overpayment shown on the retail dealer's final,
23 completed return credited to the tax liability for the
24 following tax year.

25 8. An individual may claim the tax credit allowed a
26 partnership, limited liability company, S corporation,
27 estate, or trust electing to have the income taxed
28 directly to the individual. The amount claimed by the
29 individual shall be based upon the pro rata share of
30 the individual's earnings of a partnership, limited
31 liability company, S corporation, estate, or trust.

32 9. This section is repealed on January 1, 2018.

33 Sec. 36. Section 422.33, Code 2011, is amended by
34 adding the following new subsection:

35 NEW SUBSECTION. 11D. The taxes imposed under this
36 division shall be reduced by an E-15 plus gasoline
37 promotion tax credit for each tax year that the
38 taxpayer is eligible to claim the tax credit under this
39 subsection.

40 a. The taxpayer shall claim the tax credit in
41 the same manner as provided in section 422.11Y. The
42 taxpayer may claim the tax credit according to the same
43 requirements, for the same amount, and calculated in
44 the same manner, as provided for the E-15 plus gasoline
45 promotion tax credit pursuant to section 422.11Y.

46 b. Any E-15 plus gasoline promotion tax credit
47 which is in excess of the taxpayer's tax liability
48 shall be refunded or may be shown on the taxpayer's
49 final, completed return credited to the tax liability
50 for the following tax year in the same manner as

1 provided in section 422.11Y.

2 c. This subsection is repealed on January 1, 2018.

3 Sec. 37. TAX CREDIT AVAILABILITY. For a retail
4 dealer who may claim an E-15 plus gasoline promotion
5 tax credit under section 422.11Y or 422.33, subsection
6 11D, as enacted in this Act and amended in subsequent
7 Acts, in calendar year 2017, and whose tax year ends
8 prior to December 31, 2017, the retail dealer may
9 continue to claim the tax credit in the retail dealer's
10 following tax year. In that case, the tax credit
11 shall be calculated in the same manner as provided in
12 section 422.11Y or 422.33, subsection 11D, as enacted
13 in this Act and amended in subsequent Acts, for the
14 remaining period beginning on the first day of the
15 retail dealer's new tax year until December 31, 2017.
16 For that remaining period, the tax credit shall be
17 calculated in the same manner as a retail dealer whose
18 tax year began on the previous January 1 and who is
19 calculating the tax credit on December 31, 2017.

20 Sec. 38. ADMINISTRATIVE RULES. The department
21 of revenue may adopt emergency rules under section
22 17A.4, subsection 3, and section 17A.5, subsection 2,
23 paragraph "b", to implement the provisions of this
24 division of this Act. Any rules adopted in accordance
25 with this section shall also be published as a notice
26 of intended action as provided in section 17A.4. The
27 department's rules shall not take effect earlier than
28 July 1, 2011.

29 Sec. 39. EFFECTIVE DATES.

30 1. Except as provided in subsection 2, this
31 division of this Act takes effect on July 1, 2011.

32 2. The section of this division of this Act
33 authorizing the department of revenue to adopt rules
34 takes effect upon enactment.

35 Sec. 40. APPLICABILITY.

36 1. Except as provided in subsection 2, section
37 422.11Y, as enacted in this division of this Act, and
38 section 422.33, subsection 11D, as enacted in this
39 division of this Act and applied due to this division
40 of this Act, apply to tax years beginning on and after
41 January 1, 2012.

42 2. Section 422.11Y, as enacted in this division
43 of this Act, and section 422.33, subsection 11D, as
44 enacted in this division of this Act and applied due
45 to this division of this Act, apply to that part of a
46 retail dealer's tax year or tax years occurring during
47 that portion of the calendar year beginning on and
48 after July 1, 2011, and ending on December 31, 2011.
49 In that case, the retail dealer shall calculate the
50 E-15 plus gasoline promotion tax in the same manner as

1 a retail dealer calculating the tax credit on January
2 1, 2012.

3 DIVISION VII

4 RENEWABLE FUEL INFRASTRUCTURE — APPROPRIATION —
5 TRANSFER OF AUTHORITY FROM DEPARTMENT OF ECONOMIC
6 DEVELOPMENT TO DEPARTMENT OF AGRICULTURE AND LAND
7 STEWARDSHIP

8 Sec. 41. Section 15.104, subsection 8, paragraph j,
9 Code 2011, is amended by striking the paragraph.

10 Sec. 42. Section 15G.201, subsection 2, Code 2011,
11 is amended to read as follows:

12 2. "Department" means the ~~Iowa department of~~
13 ~~economic development created in section 15.105~~
14 department of agriculture and land stewardship.

15 Sec. 43. Section 15G.202, subsection 2, paragraph
16 c, subparagraph (4), Code 2011, is amended to read as
17 follows:

18 (4) The Iowa ~~motor truck association~~ biodiesel
19 board.

20 Sec. 44. Section 15G.205, subsection 4, paragraph
21 c, Code 2011, is amended to read as follows:

22 c. Notwithstanding section 8.33, unencumbered and
23 unobligated moneys remaining in the infrastructure fund
24 at the close of each fiscal year shall not revert but
25 shall remain available in the infrastructure fund ~~for~~
26 ~~expenditure for the same purposes until the end of the~~
27 ~~fiscal year that begins July 1, 2011, at which time the~~
28 ~~unencumbered and unobligated moneys remaining shall~~
29 ~~revert to the funds from which appropriated.~~

30 Sec. 45. Section 159.20, subsection 1, paragraph j,
31 Code 2011, is amended to read as follows:

32 j. Provide for the promotion and expansion of
33 renewable fuels and coproducts, by doing all of the
34 following:

35 ~~j.~~ (1) Assist the office of renewable fuels and
36 coproducts in administering the provisions of chapter
37 159A, subchapter I.

38 (2) Assist the renewable fuel infrastructure board,
39 provide for the administration of the renewable fuel
40 infrastructure programs, and provide for the management
41 of the renewable fuel infrastructure fund, as provided
42 in chapter 159A, subchapter II.

43 Sec. 46. Section 159A.2, unnumbered paragraph 1,
44 Code 2011, is amended to read as follows:

45 As used in this ~~chapter~~ subchapter, unless the
46 context otherwise requires:

47 Sec. 47. Section 321.145, subsection 2, paragraph
48 a, Code 2011, is amended to read as follows:

49 a. Four Moneys shall be deposited into and credited
50 to the following funds:

1 (1) First, three million ~~two~~ five hundred fifty
2 thousand dollars per quarter shall be deposited into
3 and credited to the Iowa comprehensive petroleum
4 underground storage tank fund created in section
5 455G.3, and the moneys so deposited are a continuing
6 appropriation for expenditure under chapter 455G, and
7 moneys so appropriated shall not be used for other
8 purposes.

9 (2) Second, seven hundred fifty thousand dollars
10 per quarter shall be deposited into and credited to the
11 renewable fuel infrastructure fund created in section
12 15G.205, and the moneys so deposited are a continuing
13 appropriation for expenditure under chapter 15G,
14 subchapter II, and moneys so appropriated shall not be
15 used for other purposes.

16 Sec. 48. TRANSITIONAL PROVISIONS — ADMINISTRATIVE
17 RULES. The rules adopted by the department of economic
18 development as codified in 261 IAC, chapters 311
19 through 314, shall continue in full force and effect
20 until amended, repealed, or supplemented by affirmative
21 action of the department of agriculture and land
22 stewardship.

23 Sec. 49. TRANSITIONAL PROVISIONS — EMERGENCY
24 ADMINISTRATIVE RULEMAKING. The department of
25 agriculture and land stewardship may adopt emergency
26 rules under section 17A.4, subsection 3, and section
27 17A.5, subsection 2, paragraph "b", to implement the
28 provisions of this division of this Act, and the rules
29 shall be effective July 1, 2011, unless a later date
30 is specified in the rules. Any rules adopted in
31 accordance with this section shall also be published
32 as a notice of intended action as provided in section
33 17A.4.

34 Sec. 50. TRANSITIONAL PROVISIONS — ADMINISTRATIVE
35 HEARINGS OR COURT PROCEEDINGS. An administrative
36 hearing or court proceeding arising out of an
37 enforcement action under chapter 15G pending on
38 July 1, 2011, shall not be affected due to this
39 division of this Act. Any cause of action or statute
40 of limitations relating to an action taken by the
41 department of economic development shall not be
42 affected as a result of this division of this Act and
43 such cause or statute of limitation shall apply to the
44 department of agriculture and land stewardship.

45 Sec. 51. TRANSITIONAL PROVISIONS — REPLACEMENT
46 ITEMS. A replacement item, including but not limited
47 to logos, stationery, or insignia, that is made due to
48 the effect of this division of this Act shall be done
49 as part of the normal replacement cycle for such item.

50 Sec. 52. TRANSITIONAL PROVISIONS — TRANSFER OF

1 RECORDS.

2 1. The department of economic development shall
3 provide the department of agriculture and land
4 stewardship with records necessary to administer and
5 enforce chapter 15G, subchapter II, including sections
6 of the subchapter amended by this Act, and rules
7 adopted by the department of economic development
8 pursuant to that subchapter.

9 2. The transfer described in subsection 1, shall be
10 accomplished by June 15, 2011, unless the department of
11 economic development and the department of agriculture
12 and land stewardship agree to a different date in 2011.

13 Sec. 53. TRANSITIONAL PROVISIONS — OUTSTANDING
14 CONTRACTS.

15 1. The department of economic development
16 shall assign and the department of agriculture
17 and land stewardship shall assume all outstanding
18 cost-share agreements executed by the department of
19 economic development pursuant to the renewable fuel
20 infrastructure program for retail motor fuel sites
21 as provided in section 15G.203 and the renewable
22 fuel infrastructure program for biodiesel terminal
23 facilities as provided in section 15G.204.

24 2. The assignment and assumption of the cost-share
25 agreements described in subsection 1 shall be effective
26 on July 1, 2011, unless the department of economic
27 development and the department of agriculture and land
28 stewardship agree to a different date in 2011.

29 Sec. 54. TRANSITIONAL PROVISIONS — RENEWABLE FUEL
30 INFRASTRUCTURE BOARD. The department of economic
31 development and the department of agriculture and land
32 stewardship shall jointly consult with the renewable
33 fuel infrastructure board as created in section
34 15G.202, as amended by this Act, when effectuating the
35 transitional provisions of this division of this Act.

36 Sec. 55. TRANSFER OF SECTIONS. Chapter 15G,
37 subchapter II, is transferred to chapter 159A, new
38 subchapter III. Chapter 159A, subchapter I, shall
39 include section 159A.1, Code 2011. Chapter 159A,
40 subchapter II, shall include all of the following:
41 section 159A.2, Code 2011, as amended by this Act; and
42 sections 159A.3 through 159A.8, Code 2011. Chapter
43 159A, subchapter III, shall include all of the
44 following: sections 15G.201, 15G.201A, and 15G.202,
45 Code 2011, as amended by this Act; sections 15G.203
46 and 15G.204, Code 2011; section 15G.205, Code 2011, as
47 amended by this Act; and section 15G.206, Code 2011.
48 The Code editor shall correct internal references as
49 necessary, including references in section 321.145,
50 subsection 2, paragraph "a", as amended in this

1 division of this Act.

2 Sec. 56. EFFECTIVE DATES.

3 1. Except as provided in subsection 2, this
4 division of this Act takes effect on July 1, 2011.

5 2. a. The section of this division of this Act
6 amending section 15G.202, subsection 2, paragraph c,
7 subparagraph (4), takes effect upon enactment.

8 b. The section of this division of this Act
9 amending section 15G.205, subsection 4, paragraph c,
10 takes effect upon enactment.

11 c. The sections of this division of this Act which
12 include transitional provisions to accomplish the
13 transfer of powers and duties of the department of
14 economic development to the department of agriculture
15 and land stewardship, being deemed of immediate
16 importance, take effect upon enactment. As used
17 in this paragraph, such transitional provisions
18 are limited to those uncodified sections of this
19 division of this Act which provide for the transfer
20 of powers and duties by the department of economic
21 development associated with chapter 15G, subchapter II,
22 including those sections in subchapter II as amended or
23 transferred to chapter 159A by this Act.

24 DIVISION VIII

25 BIODIESEL PRODUCTION REFUND

26 Sec. 57. Section 422.7, Code 2011, is amended by
27 adding the following new subsection:

28 NEW SUBSECTION. 54. Subtract, to the extent
29 included, the amount of any biodiesel production refund
30 provided pursuant to section 423.4.

31 Sec. 58. Section 422.35, Code 2011, is amended by
32 adding the following new subsection:

33 NEW SUBSECTION. 25. Subtract, to the extent
34 included, the amount of any biodiesel production refund
35 provided pursuant section 423.4.

36 Sec. 59. Section 423.4, Code 2011, is amended by
37 adding the following new subsection:

38 NEW SUBSECTION. 9. A person who qualifies as a
39 biodiesel producer as provided in this subsection may
40 apply to the director for a refund of the amount of the
41 sales tax imposed and paid upon purchases made by the
42 person.

43 a. The person must be engaged in the manufacturing
44 of biodiesel who has registered with the United States
45 environmental protection agency as a manufacturer
46 according to the requirements in 40 C.F.R. §79.4.
47 The biodiesel must be for use in biodiesel blended
48 fuel in conformance with section 214A.2. The person
49 must comply with the requirements of this subsection
50 and rules adopted by the department pursuant to this

1 subsection.

2 *b.* The amount of the refund shall be calculated by
3 multiplying a designated rate by the total number of
4 gallons of biodiesel produced by the biodiesel producer
5 in this state during each quarter of a calendar year.

6 The designated rate shall be as follows:

7 (1) For the calendar year 2012, three cents.

8 (2) For the calendar year 2013, two and one-half
9 cents.

10 (3) For the calendar year 2014, two cents.

11 *c.* A biodiesel producer shall not be eligible to
12 receive a refund under this subsection on more than
13 twenty-five million gallons of biodiesel produced
14 each calendar year by the biodiesel producer at each
15 facility where the biodiesel producer manufactures
16 biodiesel.

17 *d.* A person shall obtain a refund by completing
18 forms furnished by the department and filed by
19 the person on a quarterly basis as required by the
20 department. The department shall refund the amount
21 claimed by the person after subtracting any amount
22 owing from the sales or use taxes imposed and paid upon
23 purchases made by the person.

24 *e.* This subsection is repealed on January 1, 2015.

25 Sec. 60. EFFECTIVE DATE. This division of this Act
26 takes effect January 1, 2012.>

27 2. Title page, by striking lines 1 through 4
28 and inserting <An Act relating to motor fuels,
29 including biofuels and renewable fuels dispensed by
30 retail dealers, and by providing for tax credits and
31 refunds, providing an appropriation, and including
32 effective date and retroactive and other applicability
33 provisions.>

BYRNES of Mitchell